

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of Madison County, Montana (the "County"), hereby certify that the attached resolution is a true copy of Resolution No. 38-2007, entitled: "RESOLUTION RELATING TO A PROJECT ON BEHALF OF MADISON VALLEY HOSPITAL, INC., A MONTANA NON-PROFIT CORPORATION, AND THE ISSUANCE OF REVENUE NOTES TO FINANCE THE COSTS OF A HOSPITAL FACILITY AND RELATED IMPROVEMENTS UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; APPROVING THE PROJECT AND AUTHORIZING THE ISSUANCE OF NOTES THEREFOR" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a regular meeting on October 9, 2007, and that the meeting was duly held by the Board of County Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof _____
_____; voted against the same:
_____; abstained from voting thereon:
_____; or were absent: _____.

WITNESS my hand and seal officially this ____ day of October, 2007.

(SEAL)

County Clerk and Recorder

RESOLUTION NO. 38-2007

RESOLUTION RELATING TO A PROJECT ON BEHALF OF MADISON VALLEY HOSPITAL, INC., A MONTANA NON-PROFIT CORPORATION, AND THE ISSUANCE OF REVENUE NOTES TO FINANCE THE COSTS OF A HOSPITAL FACILITY AND RELATED IMPROVEMENTS UNDER MONTANA CODE ANNOTATED, TITLE 90, CHAPTER 5, PART 1, AS AMENDED; APPROVING THE PROJECT AND AUTHORIZING THE ISSUANCE OF NOTES THEREFOR

BE IT RESOLVED by the Board of County Commissioners (the "Board") of the Madison County, Montana (the "County"), as follows:

Section 1. Recitals. This Board by Resolution No. 36-2007 duly adopted on September 18, 2007, called a public hearing on a proposed project consisting of the issuance of one or more series of revenue notes or bonds at one time or from time to time, including bonds issued to redeem a Note or Notes (collectively, the "Notes") under Title 90, Chapter 5, Part 1, Montana Code Annotated (the "Act"), the proceeds of which will be loaned by the County to Madison Valley Hospital, Inc., a Montana non-profit corporation (hereinafter, the "Borrower"), to finance or reimburse all or a portion of the costs of designing, constructing, equipping, and furnishing a new hospital facility to be known as the Madison Valley Hospital and Clinic consisting of a two-level, approximately 36,470 square foot facility located on 3.97 acres of land, and including an acute care hospital, a clinic, laboratory, radiology department, physical therapy, emergency and trauma rooms, offices, board rooms, a kitchen, and related improvements and equipment (the "Project"), to fund a reserve, and to pay certain costs and expenses incidental to the issuance and sale of the Notes. The Project is to be located on property adjacent to the existing hospital at 217 N. Main Street (on Highway 287 North) in Ennis, Montana. The Notes shall be issued in the maximum aggregate principal amount of up to \$6,500,000 as authorized by the Act to defray the costs of the Project, to fund a reserve, and to pay certain costs and expenses incidental to the issuance and sale of the Notes.

Section 2. Public Hearing. At the public hearing duly called, noticed and held as required by the Act all persons who appeared were afforded an opportunity to express their views with respect to the proposal to undertake and finance the Project. Based on the public hearing, any written comments filed with the County Clerk and Recorder and such other facts and circumstances as this Board deems relevant, this Board hereby finds, determines and declares, as follows:

(a) The Project, as proposed, will be eligible for financing under the Act and the County is authorized to issue revenue notes pursuant to a loan agreement or agreements or an indenture of trust or indentures of trust or both and supplements thereto to defray the costs of making a loan to the Borrower, the proceeds of which will be used to finance a portion or all of the costs of the Project, fund a reserve, and pay the costs and expenses incidental to the issuance and sale of the Notes, including any security for the Notes, and to enter into a loan agreement or agreements with the Borrower requiring loan

repayments from the Borrower in amounts sufficient to repay the loan or loans when due and requiring the Borrower to pay all costs of maintaining and insuring the land and improvements included within the Project, including applicable taxes, if any, thereon.

(b) The Notes may be issued in one or more series and may be issued in anticipation of the issuance of bonds and to redeem Notes, and the Notes or each series of Notes (including bonds issued to redeem the Notes) may be in the form of construction financing only, long-term financing only, or construction and long-term financing.

(c) The loan repayments to be made by the Borrower under a loan agreement or loan agreements and/or indenture of trust or indentures of trust, shall be established at a level and payable in installments at times sufficient to pay all principal of, premium, if any, and interest on the Notes (including bonds issued to redeem the Notes) when due.

(d) The loan or loans evidenced by the Notes shall be secured by one or more mortgages or indentures of trust on the land and improvements included within the Project, or such other security as may be dictated by the purchaser or purchasers of the Notes.

(e) In authorizing the designing, constructing, equipping, and furnishing of the Project and the issuance of the Notes, the County's purpose is, and the Board believes the effect thereof will be, to promote the general welfare of the County and its residents by providing hospital facilities to serve its residents, providing employment opportunities for its residents, and aiding in economic development in furtherance of the purposes and policies of the Act.

(f) The undertaking of the Project and the issuance of the Notes to finance all or a portion of the costs thereof is in the public interest.

Section 3. Approval of Project. This Board hereby approves the Project and the issuance of the Notes in the approximate aggregate principal amount of up to \$6,500,000 to finance all or a portion of the costs thereof. The Notes, if issued as more than one series, may mature at different times, may be issued in anticipation of bonds and to redeem Notes, and will be for a term not to exceed 40 years from their date of issuance (including up to 40 years from the date of any bonds issued to redeem the Notes), and will bear interest at a rate or rates allowable by law and contain such other terms and provisions as shall be agreed upon by the Board, the Borrower and the purchaser or purchasers of the Notes (including the purchaser of any bonds issued to redeem the Notes). The Borrower shall, pursuant to one or more loan agreements or indentures of trust, or supplemental loan agreements or supplemental indentures of trust, or any combination thereof, agree to design, construct, equip, and furnish the Project; to operate and maintain, or cause to be operated and maintained, the land and improvements included within the Project and keep the land and improvements included within the Project properly insured; to pay all assessments, if any, on or against the land and improvements included within the Project; to keep the loan reserve, if any, fully funded; and to make loan payments sufficient to pay the principal of, premium, if any, and interest on the Notes (including bonds issued to redeem the Notes), and to pay all costs and expenses of the County and any trustee in connection with the Project. There shall be a pledge and assignment of certain of the County's interests in a loan

agreement or agreements under an assignment and such other security devices as shall be deemed necessary or appropriate.

Section 4. Preparation of Documents. Dorsey & Whitney LLP, as bond counsel, is authorized in cooperation with the County Attorney, the Borrower and the underwriter or underwriters of the Notes to prepare forms of a bond indenture of trust, a loan agreement, assignment, a mortgage or indenture of trust, disbursing agreement, note or notes or bonds to redeem a note or notes or any combination thereof, supplements to any of the foregoing, and any and all other documents necessary to provide for financing of the Project for review and approval of the final terms and conditions thereof by this Board.

Section 5. Costs. The Borrower will pay, or upon demand reimburse the County for payment of, any and all costs incurred by the County in connection with the Project, whether or not the Project is carried to completion, including the County's issuance fee or administration fee, if any, whether or not the Notes are issued.

Section 6. Commitment Conditional. The adoption of this resolution does not constitute a guarantee or a firm commitment that the County will issue the Notes as requested by the Borrower. The County retains the right, in its sole discretion, to withdraw from participation and accordingly not issue the Notes or any of them should the Board, at any time prior to the issuance thereof, determine that it is in the best interests of the County not to issue the Notes or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents for the transaction.

PASSED AND APPROVED BY THE BOARD OF COUNTY COMMISSIONERS OF MADISON COUNTY, MONTANA, on this 9th day of October, 2007.

David Schulz, Chair

Attest:

County Clerk and Recorder
(SEAL)